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8100-64653

APPLICATION

Honorable James H. Welsh Commissioner of Conservation Louisiana Office of Conservation P.O. Box 94275 Baton Rouge, LA 70804

RE:

Miogyp Zone, Reservoir A East Lake Arthur Field

Jefferson Davis Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **PETROQUEST ENERGY**, L.L.C. for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters in the **Miogyp Zone**, **Reservoir A**, in the **East Lake Arthur Field**, Jefferson Davis Parish, Louisiana, to-wit:

- To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate, such unit to be designated MIOGYP RA SUA;
- To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;
- 3. To designate PetroQuest Energy, L.L.C. Aguillard No. 1 Well as the unit well for the proposed unit;

- 4. To designate PetroQuest Energy, L.L.C. as the unit operator for the proposed unit;
- 5. To provide that any future substitute or alternate unit wells for the proposed unit should be exempt from the spacing provisions of Statewide Order 29-E:
- 6. To provide that any future wells drilled to the Miogyp Zone outside of the proposed unit should be located in accordance with the spacing provisions of Statewide Order No. 29-E;
- 7. To provide that the Commissioner of Conservation should be authorized to reclassify the reservoir, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and
- 8. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Miogyp Zone, Reservoir A in the East Lake Arthur Field, Jefferson Davis Parish, Louisiana, is hereby defined as that gas and condensate bearing zone encountered between the depths of 12,138 feet and 12,448 feet, electric log measurements, in the PetroQuest Energy, L.L.C. – Aguillard No. 1 Well, located in Section 33, Township 10 South, Range 3 West, Jefferson Davis Parish, Louisiana.

A conference to discuss the proposed application and any opposition thereto was held at 10:30 a.m. on the 2nd day of June, 2005, at the Onebane Law Firm, 1200 Camellia Boulevard, Suite 300, Lafayette, Louisiana. A list of the parties who attended the pre-application conference is attached. Randall C. Songy, attorney for the applicant, opened the conference with a brief discussion of the Rules of Procedures. Bill McAlister, geological consultant for the applicant, explained the applicant's proposal and the geological, engineering and other bases therefore, and answered questions. A counter plan was presented by Doffie Ross on behalf of 21st Century Investment Co. Additionally, landowners near the northwestern edge of the proposed unit expressed concerns and objections to the shape of the unit in that area. A possible compromise unit was tentatively discussed, subject to further discussion and management approval. The conference was then adjourned.

Subsequent to the conference, further discussions regarding the possible compromise were unsuccessful. However, a slight revision was made by the applicant

to address the concerns of the landowners near the northwestern edge of the proposed unit.

Pertinent data relating to the proposed application can be obtained, <u>AT THE COST OF THE REQUESTING PARTY</u>, by contacting **Bill McAlister**, **Leon Comeaux & Associates**, 305 LaRue France, Lafayette, Louisiana 70508, (337)233-9839.

There is attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of \$755.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,

RANDALL C. SONG'

RCS/bad/Enclosures

CC:

Mr. Richard Hudson, District Manager

Office of Conservation

All Interested Owners, Interested Parties and Represented Parties

P.S. To all Interested Owners, Represented Parties and Interested Parties:

You may have received this Application even though your property is not included in the proposed unit, because the Revised Rules of Procedure require us to attempt to also notify everyone owning an interest in the area "proximate to" the proposed units.

Your receipt of this Application does not require you to take any action. It is meant to notify you of these proceedings so that you have the opportunity to participate if you so desire.

